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The current climate in China favoring the expansion of foreign trade and increased direct foreign involvement in China's economic development ~~development~~ is intimately tied to the advance of policies in recent years associated with the Chinese Communist Party's (CCP) reform wing led by Vice Chairman Deng Xiaoping. Although Chinese international economic activities increased steadily ~~in~~ <sup>since</sup> the 1970's as China emerged from ~~the~~ its introverted preoccupation with the turbulent politics of the Cultural Revolution, the range and scale of Chinese economic interaction internationally increased dramatically in direct conjunction with the implementation of the whole range of reformist political, social and economic policies advanced by Deng Xiaoping. Maintenance and improvement <sup>of</sup> in this climate favoring increased foreign economic dealings with China therefore rests finally on the overall stability and longevity of Deng's overall reform program itself.

The reform program advanced by Deng Xiaoping since the death of Mao Zedong covers the entire range of domestic policy. In addition to promoting the expansion of direct foreign trade, the Chinese leadership under Deng Xiaoping has been increasingly ready to adopt foreign economic and business practices to facilitate trade, to acquire foreign technology for Chinese economic development, and to tolerate direct foreign involvement in the Chinese <sup>Economic</sup> ~~economic~~ domestically through a variety of joint venture arrangements. <sup>Typifying</sup> ~~Embodiment~~ Beijing's increased readiness to participate more aggressively in the international economic community are the "special economic zones" established in recent years along the China coast as well as the designation of several more advanced regions in China ~~as~~ <sup>to</sup> gear their economies directly toward the promotion of Chinese trade internationally.

Paralleling the changes in Chinese attitudes and practices toward foreign economic <sup>dealings</sup> ~~interaction~~ since Mao's death <sup>has</sup> ~~have~~ been a whole series

of reforms in domestic economic policy. In agriculture the Dengist leadership has promoted a number of reforms emphasizing regional diversification and decentralizing specialization, ~~modifying rural~~ the structure of authority and production, ~~vastly expanded~~ sideline plots and enterprises, and promoting rural fairs and markets to facilitate distribution. The hallmark of the agricultural reforms of recent years are the various contract or responsibility systems put into trial practice in Sichuan and Anhui in 1979 and then authorized for universal application throughout the country thereafter. In industry the reform wing of the CCP led by Deng has begun to promote a wide variety of <sup>(similar)</sup> changes, including ~~toward more rational criteria of economic development~~ revision of management practices ~~and decision-making~~, the introduction of broad measures of enterprise autonomy in decision-making and profit retention, and the application of responsibility systems into industrial enterprises ~~themselves~~ paralleling those already in place in agriculture, ~~and measures of private~~

In the cities the Beijing leadership has tolerated a measure of private ~~(and limited economic "exploitation")~~ economic activity, both as a means to alleviate unemployment and ~~xx~~ to fill gaps in the economy which the state and collective economic institutions have not adequately met, most notably in urban services. <sup>(On a scale</sup> Unthinkable in China only ten years ago, for example, "free markets" have blossomed in many Chinese cities, including Beijing itself, and unimaginable altogether, one may now dine, at a high price, at private restaurants operating in a limited number of homes of Beijing entrepreneurs.

Facilitating these broad reforms in economic policy, practices and <sup>(related institutions and social)</sup> institutions have been a series of other changes. Various mass organizations worker congresses and trade unions have been revived or established to promote economic development. Political demands on managers, technicians and other categories of "mental workers" have been relaxed in a new <sup>(atmosphere)</sup> ~~push~~ sanctioning professionalism and expertise for the sake of economic development. Educational policies have been altered to meet the needs of an increasingly sophisticated modernizing Chinese economy, now stressing "key schools" ~~to produce~~ and more rigorously

substantive curricula. ~~Increased emphasis on~~

As has frequently been the case in <sup>the PRC</sup> ~~China~~ in the past when stress on "redness" has given way to emphasis on "expertise" in economic and technical activity, the relaxation of political constraints ~~in~~ in the economy ~~and~~ ~~dismissing~~ has been paralleled by a broad relaxation of political constraints in cultural and intellectual activity. In what has been advertised as a new era of "a hundred flowers blooming and a hundred schools contending," Chinese publishers have poured out a flood of newspapers, periodicals and journals, and books addressing the complete range of normal human intellectual and cultural interests. <sup>Increased access to foreign knowledge through translation, for example, has been striking.</sup> Resuming practices cut off in the Cultural Revolution years, Chinese publishers have begun to turn out a sea of translations of foreign scholarly, scientific, political and cultural works, ranging from translations of American and Soviet textbooks on quantum electrodynamics and general relativity to full translations of Henry Kissinger's White House Years to illustrated Chinese editions of Jane Austen's Pride and Prejudice.

Accompanying the broad variety of economic, social, institutional and cultural reforms undertaken by the Dengist leadership have been fundamental political changes. With respect to the party itself Deng Xiaoping has attempted to reform the CCP into a more suitable instrument to <sup>guide</sup> ~~guide~~ the rapid modernization of an increasingly complex Chinese society. The heart of these party reforms has been the process of "democratization"—the reassertion of the ultimate political authority of the party organization itself in place of the formerly supreme authority of Mao Zedong and his thought—and the regularization of party procedures and practices. Codes of political conduct have been promulgated to guide the behavior of <sup>a generation of</sup> ~~party members~~ taught that "to rebel is justified," and discipline inspection commissions have been restored to enforce them. Deng Xiaoping has pressed for a thorough purge of the party apparatus down to grassroots levels, both to root out cadres in power who remain committed to the radical "leftist" principles and attitudes that prevailed during the Cultural Revo-

lution years as well as to make room for cadres inducted into the party ~~into~~ according to ~~more~~ criteria emphasizing administrative and professional competence appropriate to ~~guiding~~ China's modernization.

Outside the CCP Deng Xiaoping has promoted political reforms similarly directed toward facilitating rapid economic development. The most important of these reforms have included the restoration of 1959's united front institutions and practices intended to galvanize support <sup>for</sup> behind the party's modernization policies <sup>and</sup> the reform of state administration for more effective guidance of the nation's economic, technical and educational development. ~~and~~ ~~The~~ The Chinese People's Political Consultative Conference (CPPCC), the broad united front organization uniting China's various "democratic" parties and front groups, accordingly has been given increasing visibility as CCP leaders regularly meet with its representatives in a show of consultation and mutual deliberation. Various reforms in the state apparatus include efforts to separate party and state administrative responsibilities, to reorganize commissions and ministries <sup>facilitating</sup> to facilitate <sup>coordination and</sup> ~~exercise the~~ direction of economic planning, production and distribution, and, most recently, to streamline administration and decision-making.

(in the style of China's pol. life have been

Two fundamental ~~political~~ reforms advanced by Deng Xiaoping for universal application throughout the Chinese party and state apparatus. One has been Deng's <sup>(the Leninist doctrine of</sup> ~~stress on~~ stress on the "democratic" half of democratic centralism.

Deng's efforts in this regard have been visible in a wide range of reforms, including revision of selection processes of delegates to party and people's congresses at all levels, <sup>(publicity to</sup> the ~~promotion of~~ seeming debate at <sup>sessions</sup> ~~meetings~~ of the National People's Congress ~~PM~~ (NPC), and steps to limit tenure by cadres and leaders at all levels. The other major reform in ~~the~~ the mechanics of China's political life introduced under Deng Xiaoping's direction has been the effort to establish law as the ultimate, ~~universally applicable~~ <sup>ostensibly</sup> arbiter of political conflict in a rapidly modernizing society., ~~applicable universally~~ to party and state leaders and average citizen alike. Overturning the Maoist

concept that the masses and their advanced political leaders are justified in "kicking aside" party and state leaderships and institutions which no longer represent their progressive interests and aims, Deng and his fellow reformers have promulgated a series of legal codes intended ~~the~~ to regulate political and social behavior which are applicable universally to party and state leaders as well as average Chinese citizen alike.

In assessing the prospects for success and longterm longevity of the entire array of reforms advanced by Deng Xiaoping and likeminded reformers in China, three or four important points are worthy of note. First of all, the various reforms Deng has put forward are <sup>e/</sup>complementary. Taken together they comprise a mutually consistent package of policies and attitudes which reinforce each other. Deng's various political, institutional and social reforms thus ~~advance~~ are intended to serve the advance of the various economic reforms he and his colleagues have introduced, all with the <sup>broad</sup>single aim of making China "a ~~modern~~ powerful modern and socialist country" as rapidly as possible. Even PRC foreign policy under Deng's direction serves <sup>Jap</sup>the same end: Chinese connections with the West--especially the United States and Japan. ~~To the extent that Deng's reforms serve and support each other, however,~~ not only serve the PRC's strategic needs but also further ~~China's~~ Deng's success on one policy front lends impetus toward success on other policy fronts design for China's rapid modernization. ~~China's foreign policy~~ Chinese leadership statements on Sino-U.S. and Sino-Japanese relations accordingly stress the complementary economic needs and assets each side holds for the other in bilateral ties alongside overriding strategic concerns in opposing the Soviet Union. <sup>(China's)</sup> A strategy for China's economic development which placed less a premium on a role for advanced foreign technology, expertise and capital <sup>more balanced</sup> might accordingly foster a PRC foreign policy which accentuates to a far lesser degree Chinese ties with the West.

To the extent that Deng's reforms reinforce and serve each other, success on one policy front lends impetus toward success on other fronts. The normalization of Sino-Japanese and Sino-American relations <sup>(in 1978)</sup> thus undoubtedly facilitated the

rapid implementation of Deng's reforms in a domestic political context increasingly favorable to him in the same year. The perception of success in agricultural responsibility systems in ~~12~~ the years after 1979 undoubtedly promoted their implementation in industry as well in 1981.

By the same token, however, the internal coherence of Deng's reforms likewise suggests that failure on one or more ~~front~~ policy fronts easily translates into setbacks on other reform fronts. <sup>(Economic)</sup> Difficulties ~~in~~ brought on by the very success of Deng's reforms in 1980 thus appear to have been the primary factor in the political confusion among the Beijing leadership in the winter of 1980-81, when Deng's surging political momentum was effectively stalled and led most notably to the postponement of a series of fundamental reforms in party structure and leadership personnel arrangements. Similarly, tensions in Sino-American relations over the Taiwan question potentially undermine prospects for Deng's economic reforms to the extent that the Chinese leadership is ready to restrict the scale and scope of economic interaction with the United States bilaterally punitively in return for <sup>alleged</sup> ~~perceived~~ U.S. violations of PRC sovereignty over the island.

The second notable feature of Deng's reform package is that <sup>(the policies it includes)</sup> ~~they are~~ <sup>(politically)</sup> by and large ~~heretical~~ ~~from~~ when viewed from the perspective of China's recent history. The broad approach Deng's reform program <sup>adopts</sup> ~~takes~~—employing broad united front tactics and subordinating considerations of political and ideological principle to the requirements of rapid economic development—takes as its point of <sup>ideological</sup> ~~departure~~ the political principles and attitudes embodied in the CCP's 8th Congress of 1956. That congress's policies and the leaders who advocated them were the focus of Mao Zedong's ~~growing~~ <sup>eventual</sup> ~~escalating~~ divergence from much of the party's leadership in the years thereafter and of his antagonism during the Cultural Revolution years. Many of the specific reform policies advocated by Deng, moreover, were implemented or experimented with in the late 1950's and early 1960's

and were excoriated during the Cultural Revolution. The agricultural responsibility systems, the expansion of sideline plots and the proliferation of free markets ~~xxx~~ now prospering as the hallmark of Dengist agricultural reform, for example, were all introduced <sup>in the late 1950's and</sup> ~~or stressed in the~~ early 1960's as a response to China's difficult economic situation in the wake of the Great Leap Forward, and all were vilified during the Cultural Revolution as ~~the~~ amounting to the reintroduction of capitalism into the Chinese countryside. To a very large extent, therefore, Deng Xiaoping's reform program amounts to a restoration of policies, attitudes and approaches to China's modernization which had been explicitly condemned for much of China's recent political past as violating the revolutionary principles and traditions on which the regime had been founded.

The politically controversial lineage of many of Deng Xiaoping's reforms naturally complicates their implementation by a party and state apparatus whose cadres retain vivid memories of the Cultural Revolution years. Chinese press commentary describes three types of cadre at lower levels of the party. One type of cadre continues to adhere to the "leftist" principles fostered during the Cultural Revolution years and therefore ~~actively~~ believes the current reforms promoted by Deng Xiaoping to be "rightist" or "revisionist" and actively opposes their implementation. A second type of cadre firmly supports the current reform policies as politically and ideologically legitimate and accordingly works to implement them. Press commentary describing both of these types of party cadres ~~acknowledges~~ claims flatly that both represent minorities among the party's lower levels. The third type of cadre, which such press commentary says constitute the overwhelming majority of the party's ranks, sympathizes with the various reforms promoted by the central leadership under Deng Xiaoping's initiative but remains traumatized by their experiences during the Cultural Revolution. Recognizing the controversial genealogy of many of the reforms, therefore, these cadres

hesitate to implement them, cautiously concerned that the current reformist atmosphere at the central level promoted under Deng's hegemony will dissipate in favor of more rigorously orthodox policy approaches and that they will be caught once again carrying out "rightist" policies. Chinese media accounts call this apprehension over the legitimacy of the reform policies "lingering fear," a debilitating political condition among cadres in the <sup>Party's</sup> ~~parties~~ lower-level ranks which the press acknowledges persists today despite repeated efforts and assurances by the reformers to overcome it.

A third factor complicating prospects for the success of Deng's reform program is the rising expectations ~~for a larger~~ of the Chinese public for a larger <sup>(direct)</sup> share of the fruits of Chinese economic growth. The reformers themselves are responsible in large part for fueling these expectations. For one thing, steps to increase wages of various categories of workers in the cities and to spur <sup>productivity</sup> ~~production~~ through the use of bonus systems and other material incentives, together with corresponding steps to increase the income of the peasants in the countryside, have contributed to popular expectations of increasing prosperity. Secondly an academic debate since 1979 on the "aims of socialist production" by reform economists—arguing that economic production under socialism is to benefit the people's livelihood and discrediting the alleged Maoist approach of "making the transition to socialism in poverty"—presaged a reorientation of priorities in Chinese industry toward consumer rather than producer goods in the past three years. ~~Therefore~~ This reorientation toward light industries has been upheld despite the depressing effects, acknowledged explicitly in the Chinese press, on the heavy industrial sector this past year.

The concrete <sup>impact</sup> ~~results~~ of this <sup>(reordering)</sup> of industrial priorities is plain to see in China's capital itself. The variety, color and ~~availability and even~~



The variety and color <sup>of</sup> clothing worn by Chinese in Beijing in recent years --manifesting even a <sup>clear</sup> decided attempt at imitating some Western fashions-- strikes the visitor ~~into~~ to the Chinese capital immediately on arrival, and is a direct consequence of the newly-placed emphasis of China's economic planners on producing textiles for consumer use. Many of the clothes worn by the average Beijing citizen are in fact made at home on sewing machines which PRC industry now struggles to produce in adequate quantities and using patterns drawn freehand from fashion advertising appearing in magazines from the West and Hong Kong.

In a context of persistent reform promises to raise average income to levels comparable with Chinese workers in Taiwan or Singapore by some year or another and to produce goods increasingly <sup>f</sup>or direct popular consumption, the reform wing of the CCP led by Deng is under clearcut pressure to succeed in its programs. The difficulties in meeting these promises has created problems already and will undoubtedly do so again. When Deng's <sup>(economic)</sup> reform program took a decided step backward in the winter of 1980-1981 as reformist enterprise profit-retention schemes exacerbated national budgetary deficits and as inflation ~~wipes~~ outstripped even those wages increases that the state had granted previously, <sup>(an authoritative editorial in)</sup> the party paper PEOPLE'S DAILY on January 1, 1981 acknowledged the dangers of disappointing rising popular expectations:

"In the past, due to our lack of understanding of and consideration for the national conditions and our failure to explain them properly, we made casual remarks and promises and drafted some impractical plans for future economic development--<sup>f</sup>although we were motivated by the fervent hope to make the country strong and the people happy--and we caused complaints and disappointment among the people because these promises and plans did not materialize." (FBIS China Daily Report, January 2, 1981).

Repeated failures of this kind in the face of rising popular expectations whetted by the early fruits of a reoriented industrial system can only

undermine confidence in the reforms led by Deng and consequently limit prospects for their success.

Such disappointments might be more manageable if the party's prestige and general popular image were not already dimmed. The CCP faces what its own paper PEOPLE'S DAILY has termed a "crisis of confidence" in Chinese socialism, a belief ~~not~~ allegedly widespread among China's population and even among <sup>(some of)</sup> the party's rank and file membership which doubts that the communist party can effectively lead China's modernization. Unspoken cynicism and disillusionment <sup>(with)</sup> ~~with~~ the party <sup>(and without)</sup> ~~is~~ a product of the turbulence of political life in China since the mid-1950's--has festered and ripened into ~~what~~ what the Beijing press acknowledges to be open apostasy among at least a "small handful" of party members and open disaffection from the party among wider sectors of Chinese society in recent years. In part Deng's own efforts to legitimize his reforms by asserting the fallibility of Mao Zedong ~~of~~ and of the party itself over the past two decades has accelerated this disaffection. In that regard more conservative members of the Beijing leadership who opposed Deng's de-maoification efforts have been proven at least partly correct in their contention that Deng's frank acknowledgement of Mao's and the CCP's left deviations would disrupt political "stability and unity" and thereby cripple the party's ability to lead and control. The most visible manifestation of the "crisis of confidence" was the outpouring of criticism of Mao and the party at "democracy way" in Beijing in 1979, although other symptoms of dissatisfaction with the party--such as the recent debate explaining the CCP's 20-year deviation to the left as a product of its agrarian origins--abound.

Taken together the various factors outlined above present the reform leadership in China with a serious dilemma. On the one hand the party faces enormous pressures to succeed, <sup>(with its reforms)</sup> both to satisfy the rising expectation among China's people and to reconsolidate ~~its~~ <sup>(political)</sup> the initiative ~~politically~~ it has lost

in recent years. ~~Also~~ On the other these same pressures, together with the ~~pressures~~ economic and social strains that seem to accompany the modernization of underdeveloped countries in general, require that the CCP maintain control and insure political stability at all costs. The imperatives of economic life in China require party reform, in other words, and yet reform which is too rapid or thorough <sup>is perceived to</sup> threatens party control. Finding ~~the~~ and maintaining the <sup>balance</sup> between these countervailing pressures at present remains the CCP leadership's most difficult task.

In a political context in which large sectors of the populace and particularly the majority of lower-level party cadres remain cautiously uncommitted <sup>to</sup> or unsure about implementing reforms which remain ideologically controversial, if not altogether heretical, moreover, how the party leadership ~~manages~~ ~~its reform policies~~ steers a course between the imperatives of reform and ultimate success of the reforms. control counts a great deal toward the ~~efficiency of the party's overall leadership~~ rank and file. ~~That is, the party~~ ~~among~~ A party ~~membership~~ and populace at large still nervous about the political legitimacy of the various reform programs initiated by Deng ~~thus~~ cautiously watches <sup>events</sup> ~~politics~~ in Beijing for ~~xx~~ continual reassurance that the leadership's ~~current~~ commitment to the reforms is unflagging. <sup>In this larger</sup> ~~the~~ political situation <sup>, therefore,</sup> ~~which according to places a premium on~~ leadership ~~steadiness and consistency, therefore~~ consistency of principle and steadiness <sup>in</sup> of implementation of the reforms by the central leadership has been indispensable. Deng has accordingly <sup>as has</sup> needed a steady progression of political victories at the center to demonstrate the permanence of the changes he has brought about.

Unfortunately for Deng and the reformers, however, Beijing has not displayed a reassuring consistency of purpose and support for the reforms in recent years, ~~despite the fact that~~ Although Deng Xiaoping has indeed won major political victories in the years since his rehabilitation in 1977, his advance has not been inexorably steady, but <sup>at times even</sup> rather erratic. Even with regard to the overall orientation of economic development, for example, Beijing has not been unswervingly committed to a single strategy. Thus,

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~~Beijing's economic line shifted~~ Beijing set down an almost Stalinist economic development line at the Fifth NPC in 1978, replete with ambitious heavy industrial goals and high production targets, ~~in announcing a "New Long March."~~ In the spring of 1979 the party leadership abandoned <sup>this</sup> the "New Long March" of the year before in favor of a three-year program to "readjust" serious sectoral imbalances in the national economy. In the <sup>fall</sup> ~~spring~~ of 1980, ~~to judge by articles appearing in the Beijing press and in China's specialized economic journals, reform economists argued that~~

economic reformers ushered in a new policy of pursuing aggressive structural changes in the economy, <sup>arguing</sup> ~~and arguing~~ that the tasks of economic readjustment <sup>has</sup> proceeded "better than expected," to use Deng Xiaoping's own words. Only

three <sup>months</sup> later Beijing's economic line changed again, now reasserting the primacy of readjustment over reform and curtailing many of the ~~reformist~~ steps which the reformers had initiated in an atmosphere of economic crisis.

Over the past year reform politicians have <sup>only gradually</sup> attempted to reassert <sup>(a more limited)</sup> ~~their~~ reform agenda within the <sup>constrained</sup> ~~constrained~~ economic framework of readjustment. <sup>(Taking stock of the shifts of</sup> ~~Enterprise~~ <sup>justification</sup> ~~the last three years~~ <sup>(at local levels)</sup> managers looking for guidance from Beijing would seemingly have every right to wonder exactly what is the central leadership's policy and to hesitate to implement policies which they believe remain politically controversial.

Much of this wavering in broad economic orientation, to be sure, is the result of the central leadership <sup>attempting</sup> to grapple with unanticipated effects and consequences of their own policies. The upsurge of economic reform through 1980, for example, meant for many selected enterprises an increased <sup>(authoritative)</sup> control over their own planning. According to <sup>that</sup> ~~press~~ commentary analyzing the economic situation at the end of <sup>which were</sup> ~~the~~ year, industrial enterprises granted increased control over their own profits and increased powers to formulate <sup>(and diversify)</sup> their economic plans for the future reinvested their profits to expand their own operations without coordinating their increased demands for resources, energy, transportation access and markets with other, already existing

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enterprises. In the resulting competition economic production suffered in an overall chaotic economic situation. In addressing the problems in the winter of 1980-1981, the central leadership used the only means at hand-- it recentralized decision-making powers in the hands of the central planning bureaucracy, in effect undercutting the reforms begun only months earlier. Although the reformers had not anticipated the results of their own initiatives-- or at least <sup>minimized them</sup> ~~played them down~~ if they had anticipated them--~~the consequent~~ confusion among local enterprises, and naturally disillusionment, was nevertheless the result all the same.

Whatever the impact of unanticipated consequences of the reform policies, ~~Probably~~ <sup>Even more distressing to local economic units</sup>

Probably even more distressing to local cadres watching ~~how~~ for <sup>reassurances</sup> ~~signs~~ of the Beijing leadership's continuing commitment to reforms has been the central party leadership's ~~debate~~ persisting debate over the anticipated, traditionally controversial effects of the reforms. ~~Although~~ <sup>over the full array of reform issues,</sup> instances of this type of debate ranges from the recent dispute over the PLA author Bai Hua's movie script "Unrequited Love" to the party leadership's debate in 1980 over the relative danger of "bourgeois" influences on Chinese society versus those of persisting "feudalism." Perhaps most sensitive, however, is the leadership's oscillations on how to deal with the various economic and social effects of the party's implementation of responsibility systems in the countryside. Press commentary since 1980 has thus regularly cited instances where the implementation of such agricultural reforms has gone too far. Thus some districts are said to have not only assigned production quotas according to households within existing production teams but also proceeded <sup>P</sup> actually to divide up land and distribute it among households. The devolution of the focus of agricultural production under the responsibility systems similarly has had predictable, but nonetheless controversial social effects. One Guangzhou radio broadcast, for example, acknowledged recently that among such social effects has been a dramatic resurgence of clan activity. Accompanying

the resurgence of family-oriented social relationships has been the recrudescence ~~of~~ in at least some areas of what party cadres who are veterans of three decades of efforts to "destroy the old" must regard as a horrifying array of traditional cultural beliefs and practices. Press commentary at the time of this year's Spring Festival <sup>for example</sup> acknowledged that in many ~~xxx~~ rural areas traditional customs and traditions which the CCP has long opposed, ranging from geomancy, divination and fortune-telling to arranged marriages and the selling of women, have all resurfaced.

The party leadership's response to such phenomena has been to renew longstanding party injunctions against them and to call for new efforts to build "socialist spiritual culture" to replace them while persisting in implementation of the responsibility systems. Local cadres, however, face what many apparently feel to be a paralyzing political dilemma. On one hand they continue to ~~hesitate~~ <sup>hesitate</sup> to pursue implementation of the ~~one hand they continue to fear overzealous pursuit of the reform policies~~ themselves, despite their side-effects, ~~because they~~ for fear of ~~being labelled "rightists"~~ encouraging deviation from socialism in the countryside or at worst, being labelled "rightists" should central support for the reforms flag. On the other hand they hesitate to crack down on the ~~side~~ social and cultural side-effects of the reforms themselves for fear of being criticized <sup>(as leftists)</sup> by the populace over which they govern ~~as "leftists"~~. Most, according to press commentary describing this dilemma, chose to do nothing.

In summary, the reform wing of the CCP led by Deng Xiaoping faces a difficult dilemma. <sup>(At least)</sup> Some steps toward reform are necessary to meet objective needs for China's economic development. At the same time successful reform has consequences which threaten party control and stability. Wavering and unsteadiness between these twin difficulties only makes the reformers' task more difficult. To a great degree, <sup>(imperative)</sup> ~~the CCP~~ is condemned if it does reform and condemned if it does not.

It seems indeed possible the Deng's reforms, once ~~implemented~~ allowed to gather a momentum of their own, will become a fixed feature of China's economic and political scene. That point has not yet been reached, however, and those who see Dengist reform as an unstoppable trend proceeding toward inevitable success might consider the CCP leadership's own ~~gr~~ modest assessment of the ~~prospects~~ <sup>support</sup> for its own reform program, reflected in a PEOPLE'S DAILY commentator article on February 9th this year. According to the party paper:

Judging by the actual ideological state of the people at present, among our tens of millions of cadres and party members and among the people as a whole, those who really believe firmly that our country is indeed in a period of great change and development, who believe firmly that our country surely will be able to change chaos to order and from poverty to prosperity, and who consciously ~~believe~~ <sup>believe</sup> dedicate themselves heroically to bringing about this change, are still relatively few. The great majority of people look forward to such a future, but they have worries on one kind or another: some people are skeptical, hesitant and wavering; and there are also a very small number of people who are firmly opposed to this great change and development and who want retrogression and the overthrow of the present system and leadership." (FBIS China Daily Report, 10 Feb 82).

Dengist reform in China, from the fundamental overhaul of the party's own institutions to the establishment of special economic zones to promote foreign economic intercourse, has a good start, but to judge by the political context in which it has been initiated, its ultimate success is by no means guaranteed.

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~~Advisory~~ Advisory note: The author, who is an employee of the Central Intelligence Agency, wishes to note that the views expressed in this paper are his alone and not necessarily those of any U.S. Government agency or office.